

Student Aid and Fiscal Responsibility Act will make college more affordable for Iowa families

Washington, DC - Rep. Bruce Braley (D-Iowa) voted today to support a historical investment in higher education. The bill passed the House this afternoon.

HR 3221, the Student Aid and Fiscal Responsibility Act (SAFRA), will make college education more affordable, transform early education opportunities, and build a world-class community college system. In Iowa, this will mean unprecedented financial aid available for students pursuing a degree.

"This student aid reform plan will provide more opportunities for Iowans looking to attend college, and it represents a significant investment in our state's economic future," Braley said. "This bill makes federal grant money more accessible and reliable, and allows young people to graduate with less debt. This is a huge step in the right direction to make higher education more affordable for Iowa families."

SAFRA will reform the system of federal student loans to save taxpayers \$87 billion. It also changes the way the student loan system functions by creating new loans through the government's Direct Loan Program. SAFRA maintains competition in the private loan sector by allowing companies to compete for bids to service the loans.

The impact of SAFRA on Iowa is enormous. The legislation will invest more than \$726 million in Iowa over the next ten years to increase the maximum annual Pell Grant scholarship to \$5,550 in 2010 and \$6,900 by 2019. \$82.5 million will be invested for Pell Grants in Iowa's First Congressional District alone. (The current Pell Grant maximum award for 2009 is \$5,350). Furthermore, under the bill, Iowa community colleges will receive over \$31 million to renovate and construct new facilities.

More information on SAFRA can be found at <http://edlabor.house.gov/blog/2009/07/student-aid-and-fiscal-respons.shtml> A fact sheet on

the bill's impact on Iowa is attached.